

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

COUNTRY Austria
SUBJECT Preparations for Release of SMV to Austrian
Control

PLACE
ACQUIRED

DATE OF
INFO.

REPORT

CD NO.

25X1

DATE DISTR. 29 July 1955

NO. OF PAGES 2

NO. OF ENCLS.
(LISTED BELOW)

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SUPPLEMENT TO
REPORT NO.

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THIS IS UNEVALUATED INFORMATION

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1. Estimated Turnover Date of SMV. Although Soviet directors of certain Soviet
Oil Administration (SMV) plants still speak of being prepared for turning
the equipment over to the Austrians by 15 July 1955, the best estimate for
the date of release to the Austrians is thought to be 31 August.

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2.

3. A number of Soviet officials stated that the earnings of the SMV retail chain
for petroleum products, CROP, would continue to be paid into the SM Bank and
credited to various SMV accounts during the coming months.

4. Shifts in Assignment of Workers. In late May, the SMV construction department,
the Bau und Montage Abteilung in Vienna IV, was reportedly without work to do
and workers from this office were scheduled to be assigned to other more
permanent sections of the SMV administration.

5. The same development was noted at the Prottes Drilling Office. Between 15 May
and about 10 June, an estimated 150 workers from the Bohrbetrieb were transferred
to jobs in the various producing fields. This move was prompted by the belief
of certain SMV officials that Bohrbetrieb Prottes would not be taken over by
the Austrians in its present form and that workers employed in the producing
fields would be more likely to be retained.

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6. Promotions of KPGe Personnel. Since the conclusion of the Austrian State Treaty
has been an established fact, a number of SMV organizations have attempted to
push through last-minute promotions for deserving members of the Communist
Party (KPGe). It was believed that the forthcoming Austrian administration
would have to recognize the wage-scales prevailing at the time of the turnover.
In early June, this practice had become so widespread that SMV headquarters in
the Kantgasse issued a directive prohibiting large-scale promotions and asserting

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its right to review all personnel actions.

7. The Soviet director of one large SMV plant started refusing to permit any change in the operational status of the plant and refused to allow any personnel action not a part of the normal procedure under the contract with the workers.
8. Additional Indications. The following additional preparations for turning over the SMV to Austrian control were noted:
 - a. In late May, the workers in one large plant were required to work overtime to inventory all equipment.
 - b. The burning of certain SMV files was reported from a number of plants.
 - c. A number of instances of selling surplus materials, in particular scrap iron, were reported from SMV concerns.

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